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April 4, 2008

Mr. Steve Olea Assistant Director- Utilities Division Arizona Corporation Commission 1200 West Washington Phoenix, AZ 85007

Re:

Palo Verde Utilities Company and Santa Cruz Water Company

Docket No.: SW-03575A-04-0767 and W-03576A-04-0767

Decision No.: 67830

Dear Mr. Olea:

In accordance with Staff's request and recent discussions, enclosed please find a revised curtailment tariff regarding Palo Verde Utilities Company and Santa Cruz Water Company. If you have any questions, or concerns, please do not hesitate to contact me.

Very truly yours,

Timothy J. Sabo

TJS:da

cc: Dorothy Hains

Lori Miller

Docket Control: Scopies and Original

Encl.

Arizona Corporation Commission DOCKETED

APR -7 2008

DOCKETED BY

Utility: Global Water-Santa Cruz Water Company

Docket No.: SW-03575A-04-0767 & W-03576A-04-0767

Phone No.: 623-580-9600

Tariff Sheet No.: 1 of 4 Decision No.: 67830 Effective: April 30, 2008

CURTAILMENT PLAN FOR GLOBAL WATER-SANTA CRUZ WATER COMPANY (SCWC)

ADEQ Public Water System No: 11-131

Global Water-Santa Cruz Water Company ("Company", or "GW-SCWC") is authorized to curtail water service to all customers within its certificated area under the terms and conditions listed in this tariff.

The purpose of the curtailment tariff is to preserve water for the production of potable water, and reduce in a graduated fashion discretionary use of water.

This curtailment plan shall become part of the Arizona Department of Environmental Quality Emergency Operations Plan for the Company.

The Company shall notify its customers of this new tariff as part of its next regularly scheduled billing after the effective date of the tariff or no later than sixty (60) days after the effective date of the tariff.

The Company shall provide a copy of the curtailment tariff to any customer, upon request.

Definitions

Potable Water is water delivered to the potable distribution system from the Company's water treatment facilities.

Raw Water is ground water supplied from wells owned by the Company that also supply the potable system. This water has not been passed through the Company's water treatment facilities.

Stage 1 Exists When:

Company is able to maintain water storage in the system at 100 percent of capacity and there are no known problems with its well production or water storage systems.

<u>Restrictions</u>: Under Stage 1, the Company is deemed to be operating normally and no curtailment is necessary.

Notice Requirements: Under Stage 1, no notice is necessary.

Stage 2 Exists When:

- a. Company's water storage or well production has been less than 80 percent of capacity for at least 48 consecutive hours, and
- b. Company has identified issues such as a steadily declining water table, increased draw down threatening pump operations, or poor water production, creating a reasonable belief the Company will be unable to meet anticipated water demand on a sustained basis.

Utility: Global Water-Santa Cruz Water Company

Docket No.: SW-03575A-04-0767 & W-03576A-04-0767

Phone No.: 623-580-9600

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Restrictions:

Under Stage 2, the Company may request customers to voluntarily employ water conservation measures to reduce water consumption by approximately 25 percent of Stage 1 Consumption. Outside watering should be limited to essential water, dividing outside watering on some uniform basis (such as even and odd days) and eliminating outside watering on weekends and holidays.

The Company shall implement restrictions on the discretionary use of water including:

- i. With the exception of reclaimed water meters receiving reclaimed water from Global Water-Palo Verde Utilities Company, Potable or Raw Water supply to any hydrant meter, recreational impoundment, lake or irrigation impoundment shall be provided at the sole discretion of the Company and may be completely curtailed; and
- ii. No new hydrant, HOA or landscape irrigation meters employing potable or raw water will be deployed.

Notice Requirements:

Under Stage 2, the Company is required to notify customers by delivering written notice door to door at each service address, or by United States first class mail to the billing address or, at the Company's option, both. Such notice shall notify the customers of the general nature of the problem and the need to conserve water.

Stage 3 Exists When:

- a. Company's total water storage or well production has been less than 50 percent of capacity for at least 24 consecutive hours, and
- b. Company has identified issues such as a steadily declining water table, increased draw down threatening pump operations, or poor water production, creating a reasonable belief the Company will be unable to meet anticipated water demand on a sustained basis.

Restrictions:

Under Stage 3, Company shall request the customers to voluntarily employ water conservation measures to reduce daily consumption by approximately 50 percent of Stage 1 Consumption. All outside watering should be eliminated, except livestock, and indoor water conservation techniques should be employed whenever possible. Standpipe service shall be suspended.

The Company shall implement restrictions on the discretionary use of water including:

i. Construction water will be curtailed by locking of hydrant meters.

No new hydrant meters shall be deployed;

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ii. With the exception of reclaimed water meters receiving reclaimed water from Global Water-Palo Verde Utilities Company, Potable or Raw Water supply to any recreational impoundment or irrigation impoundment will be curtailed. The Company will isolate and lock all irrigation meters from the raw/potable supply system.

Notice Requirements:

- 1. Company is required to notify customers by delivering written notice to each service address, or by United States first class mail to the billing address or, at the Company's option, both. Such notice shall notify the customers of the general nature of the problem and the need to conserve water.
- 2. Beginning with Stage 3, Company shall post signs showing the curtailment stage at all well sites, tank sites and other Company-owned facilities. In addition, signs shall be posted at the entrance to major subdivisions served by the Company.
- 3. Company shall notify the Consumer Services Section of the Utilities Division of the Corporation Commission at least 12 hours prior to entering Stage 3.

Once Stage 3 has been reached, the Company must augment the supply of water by hauling or through an emergency interconnect from an approved supply or must otherwise provide emergency drinking water for its customers until a permanent solution has been implemented.

Stage 4 Exists When:

- a. Company's total water storage or well production has been less than 25 percent of capacity for at least 12 consecutive hours, and
- b. Company has identified issues such as a steadily declining water table, increased draw down threatening pump operations, or poor water production, creating a reasonable belief the Company will be unable to meet anticipated water demand on a sustained basis.

Restrictions:

Under Stage 4, Company shall inform the customers of a mandatory restriction and of the requirement to employ water conservation measures to reduce daily consumption. Failure to comply will result in customer disconnection.

The following uses of water shall be prohibited¹:

- i. Irrigation of outdoor lawns, trees, shrubs, or any plant life with potable or raw water is prohibited;
- ii. With the exception of reclaimed water meters receiving reclaimed water from Global Water-Palo Verde Utilities Company, no

¹ Fire suppression systems are specifically exempt from any curtailment.

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irrigation water will be provided by the Company (Company staff will isolate and lock all HOA meters from the potable distribution system). No potable or raw water will be delivered to any irrigation or recreational impoundment;

- iii. Washing of any vehicle with raw or potable water is prohibited;
- iv. The use of raw or potable water for dust control or any outdoor cleaning uses is prohibited;
- v. The use of drip or misting systems for outside irrigation or cooling systems employing raw or potable water of any kind is prohibited;
- vi. The filling of any swimming pool, spas, fountains or ornamental pools is prohibited;
- vii. The use of raw or potable water for construction water is prohibited. No construction water will be provided by Company (Company staff will isolate and lock all hydrant meters);
- viii. Restaurant patrons shall be served water only upon request;
- ix. Any other potable or raw water-intensive-activity for outside-use is prohibited;
- x. Any standpipe operations are prohibited;
- xi. The addition of new service lines and meter installations is prohibited.

Notice Requirements:

- 1. Company is required to notify customers by delivering written notice to each service address, or by United States first class mail to the billing address or, at the Company's option, both. Such notice shall notify the customers of the general nature of the problem and the need to conserve water.
- 2. Company shall post signs showing the curtailment stage at all well sites, tank sites and other Company-owned facilities. In addition, signs shall be posted at the entrance to major subdivisions served by the Company.
- 3. Company shall notify the Consumer Services Section of the Utilities Division of the Corporation Commission at least 12 hours prior to entering Stage 4.

Customers who fail to comply with the above restrictions will be given a written notice to end all outdoor use. Failure to comply within two (2) working days of receipt of the notice will result in temporary loss of service until an agreement can be made to end unauthorized use of outdoor water. To restore service, the customer shall be required to pay all authorized reconnection fees. If a customer believes he/she has been disconnected in error, the customer may contact the Commission's Consumer Services Section at 1-800-222-7000 to initiate an investigation.

Once Stage 4 has been reached, the Company must augment the supply of water by hauling or through an emergency interconnect from an approved supply or must otherwise provide emergency drinking water for its customers until a permanent solution has been implemented.